

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: All Rural Electric Membership Cooperatives (REMCs)
FROM: Barry Wood, Assessment Division Director *JBW*
RE: Special Instructions for REMCs for Completing Schedule A-5 - REMC Schedule
DATE: Continuous

In addition to the Annual Report (Form UD-45), REMCs shall submit a complete copy of their RUS Form 7, including the Statement of Operations, Changes in Utility Plant, and Balance Sheet, for the month and year ending December 31 of the year preceding the reporting year. If an Annual Report to Members is prepared, it should accompany the Form UD-45.

REMCs that are reporting depreciation computed on a federal tax basis should complete Schedule A per the instructions in the enclosed General Filing Instructions Memorandum. REMCs should not complete Schedule A-5 if the claimed depreciation is on a federal tax basis.

Instructions for Completing Schedule A-5

In lieu of reporting depreciation on a federal income tax basis, REMCs may complete Schedule A-5, the REMC Schedule.

The Schedule A-5 is used to compute the true tax value of the cooperative's property. This schedule replaces the former REMC Worksheet. Specific instructions by line number are as follows:

1. Enter the total cost of utility plant in service as of December 31 of the year preceding the reporting year.
2. Enter the total cost of non-utility property as of December 31 of the year preceding the reporting year.
3. Enter the total cost of plant held for future use as of December 31 of the year preceding the reporting year.
4. Add Lines 1, 2, and 3.
5. Enter the total cost of locally assessed real property (except R/O/W, easements, and towers) included in the utility plant in service amount shown on Line 1 above.
6. Enter the total cost of locally assessed real property (except R/O/W, easements, and

towers) included in the non-utility property amount shown on Line 2 above.

7. Enter the total cost of locally assessed real property (except R/O/W, easements, and towers) included in the plant held for future use amount shown on Line 3 above.
8. Add Lines 5, 6, and 7.
9. Subtract Line 8 from Line 4.
10. Enter the total amount of interest capitalized for book purposes that would not have been capitalized for federal income tax purposes if the cooperative had been required to file federal income tax returns. Note: If your cooperative has no capitalized interest, enter zero (-0-) and proceed to the next line.
11. Subtract Line 10 from Line 9.
12. Enter the total amount of accumulated depreciation applicable to personal property as of December 31 of the year preceding the reporting year.
13. Enter additional depreciation in lieu of federal tax depreciation from letter D at bottom of schedule A-5.
14. Enter accumulated depreciation for locally assessed real property.
15. Subtract Line 14 from the sum of Lines 12 and 13.
16. Enter Gross Additions credit from schedule A-1.
17. Add Line 15 and Line 16.
18. Subtract Line 17 from Line 11.
19. Multiply Line 11 by thirty percent (30% or 0.30).
20. Enter the greater of Lines 18 or 19.
21. Enter the value of Construction in Process from Schedule A-1.
22. Please attach a detailed explanation of any entry made on Line 22.
23. Line 20 plus Lines 21 and 22, if applicable. This is the true tax value of the cooperative's distributable property. Carry the result to Line 37 of Schedule A.

Schedule A - Computation of Assessment

The Schedule A is used to compute the true tax value of the cooperative's utility property. REMCs choosing to report depreciation on a federal income tax basis shall complete all lines of Schedule A. Schedule A-5 need not be completed.

However, REMCs using book depreciation should complete Schedule A-5. If the value of the cooperative's utility plant in service was computed on Schedule A-5, the cooperative must enter values only on Lines 37, 42, and 43. Line 41 should be filled out if applicable.

Schedule A-2 - Leased Property

Report all property held, possessed, or controlled but not owned. Schedule I would include all leased distributable property. The value shown in Schedule I is to be included on Schedule A-5.

If you have any questions, please contact Julie Waddell, Assessor-Auditor, at (317) 232-3765 or Jwaddell@dlgf.in.gov, or Barry Wood at (317) 232-3762 or Bwood@dlgf.in.gov.